

# State of South Dakota

EIGHTY-FIRST SESSION  
LEGISLATIVE ASSEMBLY, 2006

805M0197

## SENATE ENGROSSED NO. **HB 1072** - 02/15/2006

Introduced by: Representatives Kraus, Frost, Hunhoff, Michels, and Van Etten and Senators Hansen (Tom), Bartling, Dempster, Olson (Ed), and Sutton (Dan)

1 FOR AN ACT ENTITLED, An Act to direct the Department of Social Services to establish the  
2 South Dakota long-term care partnership program.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. When determining eligibility for nursing and rehabilitative services, if the  
5 individual is a beneficiary of an approved long-term care partnership program policy and has  
6 exhausted the benefits of the policy, the total countable assets of the individual shall be reduced  
7 by one dollar for each one dollar of benefits paid out under the individual's approved long-term  
8 care partnership program policy. The Department of Social Services is authorized to seek any  
9 federal waivers to implement this policy.

10 Section 2. The Department of Social Services shall establish the South Dakota long-term  
11 care partnership program. The program shall include the following components:

- 12 (1) Incentives for an individual to obtain insurance to cover the costs of long-term care;  
13 (2) Standards for long-term care insurance policies for designation as approved  
14 long-term care partnership program policies. The Division of Insurance shall assist  
15 in ensuring that these standards are appropriate. Any insurer offering any long-term



1 care partnership program policy shall file the policy and any advertisements with the  
2 Division of Insurance in accordance with the applicable requirements of Title 58 and  
3 subject to the standards set by the Department of Social Services;

4 (3) A mechanism to qualify for coverage of the costs of long-term care needs under  
5 medicaid without first being required to substantially exhaust his or her resources,  
6 including a reduction of the individual's asset valuation by one dollar for each one  
7 dollar of benefits paid out under the individual's approved long-term care partnership  
8 program policy as a determination of medicaid eligibility;

9 (4) Inflation protection as provided by federal law;

10 (5) Asset protection up to the maximum as provided by federal law;

11 (6) Distribution of information regarding long-term care partnership plan policies to  
12 individuals through insurance companies offering approved partnership policies. The  
13 department shall approve the information before its distribution; and

14 (7) Encouraging the pursuit of private initiatives to alleviate the financial burden on the  
15 state's medical assistance program.

16 Section 3. The Department of Social Services shall make a report regarding the South  
17 Dakota long-term care partnership program as described in section 2 of this Act to the  
18 Legislature during the Eighty-second Legislative Session.